Vermont Health Access
Pharmacy Benefit Management Program

January, February and March 2008

Quarterly Report to Health Access Oversight Committee

Q3 SFY 2008

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The Agency of Human Services, Office of Vermont Health Access (OVHA), is pleased to provide the quarterly report to the Health Access Oversight Committee as required by Act 127 approved in 2002 and found in 33 V.S.A. Chapter 19 § 2001. This report covers the activities of the Pharmacy Benefits Manager (PBM) for the third quarter of State Fiscal Year 2008.

The three requirements are set out in bold italics. The OVHA's response follows each requirement.

§2001 (c) (1) "The director of the office of Vermont health access shall report quarterly to the health access oversight committee concerning the following aspects of the pharmacy best practices and cost control program:

(1) the efforts undertaken to educate health care providers about the preferred drug list and the program's utilization review procedures;"

During this quarter, the following educational mailings were sent to pharmacy providers:

- January 2008: OVHA Pharmacy Bulletin – Preferred Drug List (PDL) Changes effective January 1, 2008.

- February 2008: Reminder letter to **pharmacies** about the April 1, 2008 effective date of the new federal Medicaid law regarding tamper-resistant prescription drug pads. This letter included descriptions of prescription drug pad features that are in compliance with federal guidelines.

- February 2008: Reminder letter to **prescribers** about the April 1, 2008 effective date of the new federal Medicaid law regarding tamper-resistant prescription drug pads. This letter included descriptions of prescription drug pad features that are in compliance with federal guidelines.

- February 2008: Instructions to pharmacies regarding coverage rules when primary coverage exists (for non-Part D Plan beneficiaries).

- April 2008: Pharmacy Alert – Reminder to pharmacies that the deadline for prescribers to have National Provider Identification (NPI) numbers is May 23, 2008.

In an attempt to make all documents available to interested parties, the department maintains a web page with information related to the Pharmacy Benefits Management Program at:

http://ovha.vermont.gov/for-providers.

"(2) the number of prior authorization requests made;"

Clinical Prior Authorization Requests					
	Requests	**Approved**	**Change in Therapy**	**Denied**	**Fair Hearing Status**
January	1763	1439	134	190	1 Pending 1 Dismissed
February	1306	1041	126	139	1 Withdrawn
March	1505	1174	137	194	1 Withdrawn
Total	4574	3654	397	523	4

Quantity Limit Prior Authorization Requests					
	Requests	**Approved**	**Change in Therapy**	**Denied**	**Fair Hearing Status**
January	146	113	22	11	0
February	139	106	16	17	0
March	142	118	9	15	0
Total	427	337	47	43	0

Combined Clinical and Quantity Limit Prior Authorization Requests					
	Requests	**Approved**	**Change in Therapy**	**Denied**	**Fair Hearing Status**
January	1909	1552	156	201	1 Pending 1 Dismissed
February	1445	1147	142	156	1 Withdrawn
March	1647	1292	146	209	1 Withdrawn
Total	5001	3991	444	566	4

Data in the table above show that the OVHA received a total of 4,574 requests for **clinical prior authorizations (PA)** during the third quarter of State Fiscal Year 2008 (January, February and March 2008). This represents a 9.37% increase in the total number of clinical prior authorization received during the previous quarter (4,182), and a 3.86% increase from one year ago, Q3 SFY 2007, when total clinical PA requests were 4,404.

OVHA received a total of 427 requests for **quantity limit prior authorizations** during the third quarter of State Fiscal State Year 2008 (January, February and March 2008), a 17.96% increase in the total number of quantity limit prior authorization requests received during the previous quarter (362). This is the second quarter that the OVHA has reported quantity limit prior authorization (PA) requests. This increase is due in large part to increased system edits put in place to ensure that the quantities filled for certain drugs do not exceed clinical recommendations.

"(3) the number of utilization review events (other than prior authorization requests)."

	January	February	March	Q3	Percentage of Total
Drug-Age Precaution	23	43	14	80	0.03%
Drug-Disease Precaution	3,431	2,935	3,054	9,420	3.15%
Drug-Drug Interaction	26,624	25,770	23,696	76,090	25.44%
Ingredient Duplication	9,424	8,291	8,205	25,920	8.67%
Refill Too Soon	4,106	4,014	4,151	12,271	4.10%
Therapeutic Duplication	60,745	56,457	58,104	175,306	58.61%
	104,353	97,510	97,224	299,087	100.00%

During the third quarter of SFY 2008, a total of 299,087 utilization events occurred. This was a 4.76% increase from the previous quarter, in which a total of 285,508 utilization review events occurred. Below is a comparison of the utilization review events for the second and third quarters of SFY 2008.

	Q3 SFY 08	Q2 SFY 08	Percent Change:
Drug-Age Precaution	80	50	60.00%
Drug-Disease Precaution	9420	10,765	-12.49%
Drug-Drug Interaction	76090	73,532	3.48%
Ingredient Duplication	25920	25,271	2.57%
Refill Too Soon	12271	11,441	7.25%
Therapeutic Duplication	175306	164,449	6.60%
Total	**299,087**	**285,508**	**4.76%**